

Message Text

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ACTION AGR-20

INFO OCT-01 EUR-25 ISO-00 CEA-02 CIAE-00 COME-00 DODE-00

EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 FEA-02 OMB-01

SCI-06 IO-14 DRC-01 /201 W
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R 241530Z JAN 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 6318

INFO USMISSION EC BRUSSELS

UNCLAS PARIS 2099

STATE PASS AGRICULTURE

EO 11652 N/A

TAGS EAGR/FR

SUBJECT FERTILIZER SITUATION

REF STATE 5278

SUMMARY: WE ARE TOLD THERE IS NO REAL SHORTAGE OF FERTILIZER EXPECTED, BUT THE UTILIZATION RATE MAY DECLINE DUE TO HIGHER PRICES -- PARTICULARLY WITH REGARD TO PHOSPHATE. END SUMMARY.

I. PRODUCTION CAPACITY: SYNDICATE TELLS US THERE IS LITTLE PLANNED RESERVE CAPACITY FOR EITHER NITROGEN OR PHASPHATE FERTILIZER. HOWEVER, NEARLY HALD OF NITROGEN PLANTS ARE RELATIVELY NEW AND MANY OF THEM ARE CURRENTLY EXPERIENCING LONG COSTLY BREAK-DOWNS. WHEN THESE PROBLEMS ARE RESOLVED, NITROGEN PRODUCTION SHOULD SHOW SOME INCREASE. AFTER SPRING PURCHASES, PLANTS WILL HAVE ONLY MINIMUM STOCKS.

II. ESTIMATE ACCORDING TO MINISTRY OF AGRICULTURE

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A. APPARENT CONSUMPTION BY TYPE (M.T.)

	1970-71	1971-72	1972-73
N	1,428	1,506	1,649
P205	1,815	1,961	2,097
K20	1,389	1,503	1,636
0/0 INCREASE		7.2	8.2

B. ESTIMATED SUPPLY AND DISTRIBUTION OF MIXED FERTILIZERS

(1,000 TONS OF PRODUCT)

YEAR	STOCKS	PRODUCTION	IMPORTS	EXPORTS	CONSUMPTION	BALANCE
70/71	616	6,866	1,199	28	7,615	528
71/72	509	7,996	1,367	259	8,187	359
72/73	1,067	8,037	1,391	325	9,020	317

(BALANCE IS LARGELY FORMS OF FERTILIZER EXCHANGED AND TRANSFORMED WITHIN THE INDUSTRY)

C. PERCENT OF TOTAL NUTRIENTS AVAILABLE FROM MIXED FERTILIZERS

N	1967/68	1970/71	1971/72	1972/73
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	37.5-0/0	41.3-0/0	42.0-0/0	42.8-0/0
P	62.2-0/0	68.8-0/0	71.4-0/0	74.3-0/0
K	76.7-0/0	81.7-0/0	83.7-0/0	85.1-0/0
NRK	59.1-0/0	64.2-0/0	66.2-0/0	67.9-0/0

D. ESTIMATED S & D FOR TOTAL NITROGEN (1,000 TONS OF NITROGEN)

PRODUCTION:	1,956	
IMPORTS INCLUDING N IN MIXED FERTILIZERS		609
TOTAL SUPPLY	2,565	

EXPORTS INCLUDIGN N IN MIXED FERTILIZERS 365

DELIVERIES TO INDUSTRY 344

DELIVERIES TO AGRICULTURE 1,649

REMAINDER REPRESENTING STOCKS (SIMPLE & MIXED) 207

E. ESTIMATED S&D FOR PHOSPHATE (1,000 TONS OF P205) 1972/73:

FORM	PRODUCTION	IMPORTS	EXPORTS	CONSUMPTION
CRUDE PHOSPHATE	1,198			
PROCESSED	1,198	250	10	1,369
DOMESTIC SOURCE		413	151	52
P205 IN MIXED FERTILIZER			215	215
TOTAL P205 IN ALL FORMS	1,611	616	112	2,096

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F. ESTIMATED S&D FOR POTASH (1,000 TONS OF K20 1972/73:

DECLARED STOCKS	148
PRODUCTION	1,680
IMPORTS	623
K3 IN IMPORTED MIXED FERTILIZER	180
TOTAL SUPPLY	2,631
EXPORTED IN POTASSIUM SALT	795
K20 EXPORTED IN MIXED FERTILIZER	46

APPARENT CONSUMPTION 1,636
DECLARED STOCKS 98
UNACCOUNTED 56
III AVERAGE PRICES TO FARMERS

COMMON FORM OF FERTILIZER AND PRICE TO FARMER BY WEIGHT OF NUTRIENT
IN JUNE 1973 WERE AS FOLLOWS:

FRANCS/KILO
AMMONIUM NITRATE (35-0/0 N) 1.45
SUPER PHOSPHATE (18-0/0 P205) 1.23
POTASSIUM CHLORIDE #60-0/0 K20) 0.57

HOWEVER, PRICES WERE RECENTLY ALLOWED TO INCREASE 60 PERCENT FOR
P205 AND 5 PERCENT FOR N. FOR THE COMING YEAR, MINAG AND SYNDICATE
DIFFER ON AMOUNT OF INCREASE EXPECTED.

MINAG SYNDICATE
N PLYS 8-0/0 PLUS 10-20-0/0
P205 AND K20 SLIGHT PLUS 5-10-0/0
AVERAGE FERTILIZER PRICE TO FARMER PLUS 22-0/0 0)7 30-0/0
FERTILIZER REPRESENTS ABOUT 23 PERCENT OF THE FARMERS INPUTS FROM
THE INDUSTRIAL SECTOR.

IV. SINCE FERTILIZER GENERALLY CONSIDERED SUFFICIENT, NO APPRECIABLE
EFFECT ON 1974/75 PRODUCTION IS EXPECTED. FRANCE EXPORTS ONLY
SMALL QUANTITIES.

V. FOR ECONOMIC ASPECTS OF ENERGY CRISIS, SEE PARIS TELEGRAMS
1744, 1670 AND 1474. STONE

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